



**U.S. Department of Justice**

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**FOR IMMEDIATE RELEASE  
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**PRESS RELEASE**  
***FIVE DEFENDANTS FACE NEW CHARGES  
IN INTERNET PHARMACY CASE***

SALT LAKE CITY – Five defendants charged in an internet pharmacy case involving the distribution of drugs smuggled into the country from Mexico face additional federal charges today.

A federal grand jury returned a superseding indictment Thursday afternoon charging Kenneth E. Forrest, age 43, of Provo and Timothy Shields, age 45, of Provo, with conducting a continuing criminal enterprise, drug distribution, and money laundering. Additionally, Martha Forrest (aka Martha McLelland), age 66, of Salt Lake City, and Treila Shumway (aka Treila Forrest), age 40, of Manti, are charged with drug distribution. Deborah E. McCoard (aka Deborah Aiken), age 43, of Spring City, and Martha Forrest are charged in the money laundering count with Kenneth E. Forrest and Shields.

The five defendants were among 18 individuals indicted in October 2008 on violations of federal law relating to the distribution of drugs through internet pharmacy businesses based in Utah and elsewhere. Law enforcement authorities believe more than 11 million pills involving millions of dollars in sales were distributed through the internet businesses from about 2001 through fall 2008. The indictment alleges drugs, which

included Ritalin, Xanax, Valium, and Phentermine, were dispensed to individuals without a prescription or medical evaluation. Additionally, some of the defendants in the case were charged with selling controlled substances to customers which they represented to be full strength prescriptions of a drug when, in fact, the defendants knew the drugs were sub-potent versions of the drugs. The internet businesses were not licensed pharmacies and there is no evidence that licensed pharmacists were ever employed.

The case is being investigated by the DEA, the FBI, the IRS, the U.S. Secret Service, and the Utah Division of Occupational and Professional Licensing.

The first new count in the superseding indictment (Count 10) alleges Kenneth E. Forrest engaged in a continuing criminal enterprise which involved a series of violations of federal law, involved at least five other people with whom the defendant occupied a position of organizer or leader, and provided substantial income and resources for the defendant. The second count of the superseding indictment (Count 11) charges Shields with engaging in a continuing criminal enterprise.

Kenneth E. Forrest, Shields, Martha Forrest, and Shumway are charged in four new counts (Counts 12, 13, 14, and 15) with distributing Ritalin, a controlled substance.

The final new count of the indictment (Count 16) charges Kenneth E. Forrest, Shields, Martha Forrest and McCoard with money laundering.

In addition to the new counts in the superseding indictment, charges against the five included in the initial indictment remain in place. Kenneth E. Forest, Shields, Shumway, McCoard, and Martha Forrest are charged in two additional drug distribution counts. Martha Forrest and McCoard face one count of structuring a transaction with a financial institution to evade reporting requirements.

The potential penalty for conducting a criminal enterprise is up to life in prison with a 20-year mandatory minimum sentence and a \$1 million fine. Money laundering and drug distribution counts carry potential 20 year sentences and fines of \$250,000.

Five defendants charged in the initial October 2008 indictment have entered into plea agreements with the U.S. Attorney's Office. They are Rex E. Southwick of Orange, Calif.; Edgar U. Flores-Cuevas, a Mexican national; Laura B. Harding of Lehi; Gregory J. Crosby of Provo; and Kimberly D. Lobdell of South Jordan. Flores-Cuevas has been sentenced.

Change of plea hearings have been scheduled for Christina K. Haramija of Lehi (April 26 at 3 p.m.); James A. Brinton of Provo (May 18 at 2:30 p.m.); Thomas Myers of Sandy (May 26 at 2:30 p.m.); Charles J. Stuart III of Mapleton (May 27 at 2:30 p.m.); and Noah Sifuentes of Orem (May 18 at 3:30 p.m.). All hearings are in U.S. District Judge Dale Kimball's court.

Arrest warrants for three defendants, Enrique Hipolito-Ruiz, Victor Francsico Hipolito-Martinez, and Jorge Hipolito-Martinez, all Mexican nationals, remain in place.

A 15-day jury trial for Kenneth E. Forrest, Timothy Shields, Treila Shumway, Martha Forrest, and Deborah McCoard will start Aug. 30, 2010, before Judge Kimball.

Indictments are not findings of guilt. Individuals charged in indictments are presumed innocent unless or until proven guilty in court.

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